

ORIGINAL



BEFORE THE ARIZONA CORPORATION

COMMISSIONERS

BOB STUMP- Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

AZ CORP COM
DOCKET NO.
2013 MAR 21 PM 2 35


IN THE MATTER OF THE APPLICATION OF
SOUTHWESTERN TELEPHONE COMPANY
FOR A HEARING TO DETERMINE THE
EARNINGS OF THE COMPANY, THE FAIR
VALUE OF THE COMPANY FOR
RATEMAKING PURPOSES, AND TO
INCREASE RESIDENTIAL RATES AS
NECESSARY TO COMPENSATE FOR THE
RATE IMPACTS OF THE FCC'S USF/ICC
TRANSFORMATION ORDER.

DOCKET NO. T-01072A-12-0472

**STAFF'S NOTICE OF FILING THE
TESTIMONY SUMMARY OF ARMANDO
F. FIMBRES**

Staff of the Arizona Corporation Commission ("Staff") hereby files the Testimony Summary
of Armando F. Fimbres in the above docket.

RESPECTFULLY SUBMITTED this 21st day of March 2013.


Maureen A. Scott, Senior Staff Counsel
Charles H. Hahs, Attorney
Brian E. Smith, Attorney
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007
(602) 542-3402

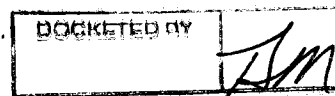
Original and thirteen (13) copies
of the foregoing filed this
21st day of March 2013 with:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission

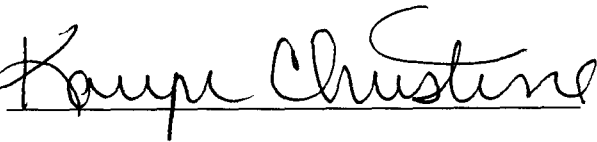
DOCKETED

MAR 21 2013



1 Copy of the foregoing mailed this
21st day of March 2013 to:

2 Craig A. Marks
3 Craig A. Marks, PLC
10645 North Tatum Boulevard
4 Suite 200-676
Phoenix, Arizona 85028

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**EXECUTIVE SUMMARY OF
SOUTHWESTERN TELEPHONE COMPANY
DOCKET NO. T-01072A-12-0472**

On November 23, 2012, Southwestern Telephone Company ("Southwestern Telephone" or "Applicant") filed an application for a determination of its earnings and the fair value of its investment and requested that its residential rates be increased to compensate for the rate impacts of the Federal Communication Commission's ("FCC's") November 18, 2011, Universal Service Fund/Intercarrier Compensation ("USF/ICC") Transformation Order ("USF/ICC Order") pursuant to Arizona Revised Statute ("A.R.S.") § 40-250 and the Arizona Corporation Commission's ("Commission's") Arizona Administrative Code ("A.A.C.") R14-2-103.

Staff recommends that the Southwestern Telephone monthly residence single line local exchange rate increase from the weighted average residential local service rate of \$11.25 to \$14.00 to address the impact of the FCC's USF/ICC Order. Staff believes the proposed increase is just, fair and reasonable for the following reasons:

- The increase is necessitated by the FCC's November 18, 2011 USF/ICC Order;
- The increase is necessary to preserve the entirety of the Federal Universal Service Fund ("FUSF") funds that may flow to Southwestern Telephone pursuant to the FCC's rules;
- The increase will minimize/reduce the amount of future rate increase; and
- The increase will allow the Applicant to receive matching funds from the FUSF.